



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2009-10/511

DBOD.Dir.(Exp).BC.No. 115 /04.02.001/2009-10

June 29 , 2010

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir/Madam,

Rupee Export Credit Interest Rates

Please refer to our circular [DBOD.Dir.\(Exp\).BC.No.94/04.02.001/2009-10 dated April 23, 2010](#), extending the scheme of Interest Subvention of 2 percentage points from April 1, 2010 to March 31, 2011 on pre and post shipment rupee export credit for four export sectors viz. Handicrafts, Carpets, Handlooms and Small & Medium Enterprises (SME), subject to the condition that banks will charge interest rate not exceeding BPLR minus 4.5 percentage points on pre-shipment credit up to 270 days and post-shipment credit up to 180 days on the outstanding amount for the period April 1, 2010 to March 31, 2011 to these sectors. However, the total subvention is subject to the condition that the interest rate, after subvention will not fall below 7 per cent, which is the rate applicable to the short term crop loan under priority sector lending.

2. However, with the change over to the Base Rate System, the interest rates applicable for all tenors of rupee export credit advances with effect from July 1, 2010 will be at or above Base Rate in respect of all fresh/renewed advances as advised vide our circular [DBOD.Dir.\(Exp\).BC.No.102/04.02.001/2009-10 dated May 6, 2010](#). Accordingly, banks may reduce the interest rate chargeable to the exporters as per the Base Rate System in the above mentioned sectors by the amount of subvention available. If, as a consequence, the interest rate charged to exporters goes below the Base Rate, such lending will not be construed to be violative of the Base Rate guidelines.

3. All other terms and conditions of our circular dated April 23, 2010 mentioned above remain the same.

Yours faithfully,

(A. K. Khound)

Chief General Manager



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DBOD.Dir.(Exp).BC.No. 114 /04.02.001/2009-10

June 29, 2010

Interest Rates on Rupee Export Credit

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from July 1, 2010 to March 31, 2011 the interest rates on pre and post shipment credit to the specified export sectors as indicated below:

With the change over to the Base Rate System, the interest rate applicable to all tenors of rupee export credit advances with effect from July 1, 2010 will be at or above Base Rate in respect of all fresh/renewed advances. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the following sectors eligible for export credit subvention by the amount of subvention available under the scheme subject to a floor rate of 7%:

- (i) Handicrafts
- (ii) Carpets
- (iii) Handlooms
- (iv) Small & Medium Enterprises (SME)

In respect of other categories of exporters, the provisions of the circular DBOD.Dir.(Exp).BC.No.102 /04.02.001/2009-10 dated May 6, 2010 would continue to apply.

(Anand Sinha)
Executive Director